



Staff Report

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Date: 4/22/2024

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TO: Mayor and City Council
THROUGH: Keith Stahley, City Manager
FROM: Kristin Retherford, Community Planning and Development Director

SUBJECT:

Economic development quarterly report.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Strong and Diverse Economy.

SUMMARY:

City Council requested economic development reports from the Community Planning and Development Department. This report includes activity for quarter one of calendar year 2024.

ISSUE:

Information report on economic development activities.

RECOMMENDATION:

Information only.

FACTS AND FINDINGS:

Urban Renewal Area (URA) Activity

More than \$350,000 in private investment will be matched by around \$250,000 in North Gateway Urban Renewal Area grant funds to aid business expansion and job growth. Don Froylan Creamery, located at 3310 Portland Road NE, is acquiring new processing equipment to meet demand for its products and allow expansion into new markets in California and elsewhere. The North Gateway Urban Renewal Area grant program was instrumental in the building of the Don Froylan Creamery in 2018 (Attachment A).

Creative Credit and Auto Sales is constructing a new building at 2410 Fairgrounds Road NE.

Downtown Riverfront Urban Renewal Area capital improvement grant funds in the amount of \$600,000 will support the interior and exterior renovations of the existing 73,500 square-foot building at 285 Liberty Street NE. Improvements will include removal of façade and multiple floor tenant improvements to support commercial, restaurant, and retail uses. Open for Business Grant in the amount of \$9,650 will be used to partially fund an outdoor dining platform for Side Hustle Bar and security improvements in the amount of \$9,904 for Equitable Center.

In the McGilchrist Urban Renewal Area, construction is underway to transform McGilchrist Street SE from the current narrow two-lane arterial into a street that achieves a 20-year vision to energize area business development, create new jobs, and provide safer transportation options for pedestrians, bicycles, trucks, and cars in a critically underserved neighborhood. Due to funding, the project was divided into three phases, with phase one consisting of the realignment of 22nd Street SE (Attachment B). Construction of phase one commenced in October 2023 and progress continued through the winter months. Beginning April 1, 2024, a closure of McGilchrist Street SE at the 22nd Street SE intersection will continue until July. Additional closures are expected through October 2024 for culvert replacement work. Phase one is on track for completion in late 2024 to early 2025. Staff is finalizing the design of phase two and anticipate going out for bid in late 2024.

At the Mill Creek Corporate Center in southeast Salem, progress continues with the formation of several new buildings, including the 479,000 square-foot distribution and manufacturing center for Gensco, Inc. A new convenience and food services store will be located on Logistics Street SE and is visible from Kuebler Boulevard SE. Logistics Street SE is taking shape, with improvements to Turner Road SE and Mill Creek Drive SE to follow.

Tory Banford
Project Manager

Attachments:

Attachment A - URA Grant Locations

Attachment B - Project Photos